

TALS-Allotments Policy Issues

Issue #6

How can we:

- Standardize our policy to prohibit retroactive allotments,
- Ensure that the entire allotment plan for current and future months can reflect an agency's best estimates, and
- Ensure that the EA schedule serves as a control to agency expenditure plans throughout the biennium and that the "total allotted" amounts on agency reports do not exceed these controls.

Current Policy

In the current allotment systems, the agency allotment totals for the biennium are expected to always equal the agency's expenditure authority. Thus if an agency needs to revise its allotment plan for future months it must either adjust allotments in previous months (called retroactive allotments) or make the balancing adjustment in current or future months, which means that this month(s) will not truly reflect the agency's best estimate. Statute does not allow agencies to make retroactive operating expenditure allotments. Agencies are currently allowed to make retroactive allotments for other elements and for their internal allotments.

Options

	Alternative 1	Alternative 2	Alternative 3
Description	<ul style="list-style-type: none">-No retroactive allotments are allowed.-Total allotted must be less than equal to the EA control.-When amending the plan, agencies may need to adjust at least one month of the remaining plan allotment plan to keep the total plan within the EA control total. This means that the allotment adjusted month(s) will not represent the true expected plan.	<ul style="list-style-type: none">-No retroactive allotments allowed.-The combination of actuals to date and future allotments must be less than or equal to the EA control. (The total allotted amount in the system, however might exceed the EA control.-When amending the plan, agencies would adjust allotments so that each prospective month represents the expected plan (no adjustment month required).	<ul style="list-style-type: none">-No retroactive allotments are allowed.- The system would not enable an agency to adjust prospective allotments in a way that would allow actuals to date and future allotments to exceed the EA control total.-When amending the plan, agencies would adjust allotments so that each prospective month represents the expected plan. The system would calculate an adjustment to the total allotment, to ensure total allotted, including this adjustment, remains less than or equal to the EA control.

	Alternative 1	Alternative 2	Alternative 3
Benefits	<ul style="list-style-type: none"> - No retroactive allotments - The total allotment plan cannot exceed control totals 	<ul style="list-style-type: none"> - No retroactive allotments - Allows all users to view accurate monthly estimates that reflect real spending plans for each month for actuals to date. 	<ul style="list-style-type: none"> - No retroactive allotments - Allows all users to view accurate monthly estimates that reflect real spending plans for each month - Meets requirements of the Budget and Accounting Act. - Options to view reports as allotment data only (including system adjustments), and the option to view a combination of actuals to date plus estimates for the remainder of the biennium same as in Alternative 2 - System calculates the monthly adjustment necessary to stay within the appropriation.
Risks or Consequences	<ul style="list-style-type: none"> - Plans for prospective months may not reflect true expected activity by month. 	<ul style="list-style-type: none"> - Lose clarity on the meaning of the total allotment and its use as a control - May not meet the requirements of the Budget and Accounting Act. 	
Implementation issues			More complex system design
Critical success factors			

Proposed Approach

Alternative 3: Preserves both the benefit of the total allotment reflecting the control, while ensuring the allotment plan represents the most accurate picture of expected activity.

Concerns/Comments from Stakeholders